

Office of Regulatory Staff**GARY JONES****EXHIBIT LIST****South Carolina Electric & Gas Company and Dominion Energy, Inc.*****Docket No. 2017-370-E***

EXHIBIT NUMBER	DESCRIPTION
GCJ-1	Gary Jones Curriculum Vitae
GCJ-2	VC Summer Units 2 & 3 Nuclear Progression (CONFIDENTIAL)
GCJ-2.1	SCE&G Letter NND-12-0111 dated 2/29/12
GCJ-2.1.A	CBI Closes on Shaw Group, Houston Business Journal, dated 2/13/13
GCJ-2.2	SCANA Press Release- SCE&G Completes First Nuclear Concrete Placement, 3/11/13
GCJ-2.2.A	Kevin Marsh e-mail to Directors dated 6/4/13 (CONFIDENTIAL)
GCJ-2.2.B	Santee Cooper Board Meeting Presentation dated 6/24/2013
GCJ-2.3	Lonnie Carter letter to Kevin Marsh dated 8/23/13
GCJ-2.4	Kevin Marsh e-mail to Danny Roderick (WEC) and Phil Asherman (CBI), 9/5/13
GCJ-2.5	Lonnie Carter Inter-office Memo to General Counsel, dated 10/21/13
GCJ-2.6	SCANA Press Release-SCE&G Completes NI Basemat Placement for Unit 3, 11/4/13
GCJ-2.7	SCANA 4th Quarter 2013 Earnings Call / Webcast Transcript, dated 2/20/14
GCJ-2.8	SCANA 1st Quarter 2014 Earnings Call Transcript, dated 4/24/14
GCJ-2.9	Lonnie Carter e-mail to Kevin Marsh with attached timelines, dated 11/28/16
GCJ-2.10	Kevin Marsh and Lonnie Carter Letter to Danny Roderick and Phil Asherman, dated 5/6/14
GCJ-2.11	SCANA Press Release-SCE&G Places Containment Vessel Bottom Head for Unit 3, 5/22/14
GCJ-2.12	SCE&G Letter NND-14-0354 dated 6/19/14
GCJ-2.13	Westinghouse Letter VSP_VSG_002819, dated 7/16/14
GCJ-2.14	Danny Roderick (WEC) Letter to Kevin Marsh and Lonnie Carter, dated 7/25/14
GCJ-2.15	SCANA 2nd Quarter 2014 Earnings Call Transcript, dated 7/31/14
GCJ-2.16	SCANA Investor Conference Call Transcript, dated 8/11/14
GCJ-2.17	Lonnie Carter e-mail to Kevin Marsh with attached timelines, dated 11/28/16
GCJ-2.17.A	SCE&G Letter [REDACTED] dated 9/25/14 (CONFIDENTIAL)
GCJ-2.17.B	Rebaselined Schedule/ EAC Meeting # 1, meeting minutes, dated 10/13/14
GCJ-2.18	SCANA 3rd Quarter 2014 Earnings Call/Webcast Transcript, dated 10/30/14
GCJ-2.18.A	Michael Crosby e-mail to Lonnie Carter dated 11/13/14
GCJ-2.18.B	2014 SCE&G EAC Analysis and Cost Changes dated 12/2/14
GCJ-2.18.C	Rebaselined Schedule/ EAC Meeting (Round 2), meeting minutes, dated 12/10/14
GCJ-2.19	Santee Cooper Bechtel Timeline, dated 8/24/15
GCJ-2.20	Bechtel e-mail to Lonnie Carter with Proposal for Bechtel Assessment, dated 2/5/15
GCJ-2.20.A	Carlette Walker e-mail to [REDACTED], dated 2/11/15 (CONFIDENTIAL)
GCJ-2.21	Lonnie Carter e-mail to Kevin Marsh with attached timelines, dated 11/28/16
GCJ-2.22	SCANA 4th Quarter 2014 Earnings Call/Webcast Transcript, dated 2/19/15
GCJ-2.23	SCE&G Petition for Updates and Revisions to Schedules 2015-103-E, 3/12/15
GCJ-2.24	Michael Crosby e-mail to S. Byrne, dated 4/6/15
GCJ-2.25	Lonnie Carter e-mail to Kevin Marsh with attached timelines, dated 11/28/16

Office of Regulatory Staff

GARY JONES

EXHIBIT LIST

South Carolina Electric & Gas Company and Dominion Energy, Inc.

Docket No. 2017-370-E

EXHIBIT NUMBER	DESCRIPTION
GCJ-2.26	SCANA 1st Quarter 2015 Earnings Call/Webcast Transcript, dated 4/30/15
GCJ-2.27	Lonnie Carter e-mail to Kevin Marsh with attached timelines, dated 11/28/16
GCJ-2.28	SCE&G Filing of Direct Testimony and Exhibits, 2015-103-E, dated 5/26/15
GCJ-2.29	Hearing Transcript, 2015-103-E, dated 7/21/15
GCJ-2.30	SCANA Press Release-SCE&G Uses Worlds Largest Crane to Lift and Set Module, 7/23/15
GCJ-2.31	SCANA 2nd Quarter 2015 Earnings Call/Webcast Transcript, dated 7/30/15
GCJ-2.32	Lonnie Carter e-mail to Kevin Marsh with attached timelines, dated 11/28/16
GCJ-2.33	PSC Directive, Action Item 5, 2015-103-E, dated 9/2/15
GCJ-2.34	PSC Order 2015-661, 2015-103-E, dated 9/10/15
GCJ-2.35	Michael Crosby e-mail to Lonnie Carter dated 10/14/15
GCJ-2.36	Michael Crosby e-mail to Lonnie Carter dated 10/14/15
GCJ-2.36.A	Lonnie Carter Inter-office Memo to Board of Directors, dated 10/21/15
GCJ-2.37	Preliminary Results of Bechtel Assessment Presentation, dated 10/22/15
GCJ-2.38	SCE&G Quarterly Report to ORS, Quarter Ending September 30, 2015 , 11/6/15
GCJ-2.39	SCANA 3rd Quarter 2015 Earnings Call/Webcast Transcript, dated 10/29/15
GCJ-2.40	Draft Bechtel Assessment Report, dated 11/9/15
GCJ-2.41	Draft Bechtel Assessment Report, dated 11/12/15
GCJ-2.42	Telecon with TY Troutman, dated 2/4/16
GCJ-2.43	SCANA Press Release-Westinghouse Acquires CB&I Stone and Webster, Inc., 1/4/16
GCJ-2.44	SCANA Press Release-Westinghouse Acquires CB&I Stone and Webster, Inc., 1/4/16
GCJ-2.45	Telecon with TY Troutman, dated 2/4/16
GCJ-2.46	Bechtel Assessment Report, dated 2/5/16
GCJ-2.46.A	Bechtel Schedule Assessment Report, dated 2/5/16
GCJ-2.47	Santee Cooper- Bechtel Report Action Plan, dated February of 2016
GCJ-2.48	SCANA 4th Quarter 2015 Earnings Call/Webcast Transcript, dated 2/18/16
GCJ-2.49	Santee Cooper Recomendations, VC Summer Units 2/3, dated 3/3/16
GCJ-2.50	SCE&G Response to SC ORS, Audit Information Request 1-32
GCJ-2.51	Lonnie Carter e-mail to Kevin Marsh with attached timelines, dated 11/28/16
GCJ-2.52	SCE&G Response to SC ORS, Audit Information Request 1-32
GCJ-2.52.A	Santee Cooper Comparason of SCE&G Recommendations to Bechtel Recomendations, dated 3/29/16
GCJ-2.53	SCANA 1st Quarter 2016 Earnings Call/Webcast Transcript, dated 4/28/16
GCJ-2.54	SCANA Press Release-SCE&G Elects Fixed Price Option, 5/26/16
GCJ-2.55	SCE&G Petition for Updates and Revisions to Schedules 2015-103-E, 5/26/16
GCJ-2.55.A	Steve Pelkcher (Santee Cooper) e-mail to Alvis Bynum (SCE&G) dated 6/15/16
GCJ-2.56	Michael Crosby e-mail to Lonnie Carter, dated 6/16/16
GCJ-2.57	Santee Cooper Nuclear Timeline- Project Bankruptcy Counsel, Fall of 2016

Office of Regulatory Staff**GARY JONES****EXHIBIT LIST****South Carolina Electric & Gas Company and Dominion Energy, Inc.*****Docket No. 2017-370-E***

EXHIBIT NUMBER	DESCRIPTION
GCJ-2.58	Santee Cooper Nuclear Timeline- Project Bankruptcy Counsel, Fall of 2016
GCJ-2.58.A	Michael Crosby Inter-Office Communication to Board of Directors, dated 6/18/16
GCJ-2.58.B	Dukes Scott e-mail (ORS) to ORS Staff documenting discussion with SCE&G, 6/22/18
GCJ-2.59	SCE&G Filing of Direct Testimony and Exhibits, 2016-223-E, dated 7/1/16
GCJ-2.60	SCANA 2nd Quarter 2016 Earnings Call/Webcast Transcript, dated 7/28/16
GCJ-2.61	SCANA Press Release-SCE&G places Reactor Vessel Unit 2, dated 8/31/16/16
GCJ-2.62	SC PSC Hearing Transcript 2016-223-E, dated 10/4/16
GCJ-2.63	Fluor Estimate to Complete Report, dated 10/21/16
GCJ-2.64	SCANA 3rd Quarter 2016 Earnings Call/Webcast Transcript, dated 10/27/16
GCJ-2.65	Secretariat Report dated 11/3/16
GCJ-2.66	SCANA Press Release-SC PSC Approves Settlement Agreement, dated 11/9/16
GCJ-2.67	SCANA Press Release-SC PSC Approves Settlement Agreement, dated 11/9/16
GCJ-2.68	PSC Order 2016-794, 2016-223-E, dated 11/28/16
GCJ-2.69	Lonnie Carter e-mail to Kevin Marsh with attached timelines, dated 11/28/16
GCJ-2.70	Toshiba Press Release, dated 12/27/16
GCJ-2.71	Lonnie Carter Inter-Office Communication to Board of Directors, dated 2/13/17
GCJ-2.72	SCANA 4th Quarter 2016 Earnings Call/Webcast Transcript, dated 2/16/17
GCJ-2.73	SCANA Press Release, dated 3/29/17
GCJ-2.74	Michael Crosby e-mail to Lonnie Carter dated 7/7/17
GCJ-2.75	SCANA Press Release- SCE&G to Cease CONstruction, dated 7/31/17
GCJ-2.76	Santee Cooper letter to SC Governor McMaster dated 9/3/17
GCJ-2.76.A	Governor Releases Bechtel Report, World Nuclear News Article, dated 9/6/17
GCJ-3	Kevin Marsh e-mail to Lonnie Carter , dated 9/3/14
GCJ-4	Lonnie Carter e-mail to Kevin Marsh , dated 9/8/14
GCJ-5	Hearing Transcript, 2015-103-E, dated 7/21/15
GCJ-6	SCE&G Meeting with ORS. Meeting Agenda, dated 10/27/15
GCJ-7	SCE&G Filing in Civil Action No. 3:18-cv-1795-JMC, page 30, Line 152, dated June
GCJ-8	Santee Cooper, Nuclear - Executive Session, Meeting Minutes, dated 1/25/16
GCJ-9	SCE&G and Santee Cooper 3rd Party Assessment Meeting, Meeting Notes, 1/14/16
GCJ-10	SC Governor McMaster letter to Nanette Edwards (ORS) dated 5/22/18
GCJ-11	Information Withheld
GCJ-12	Deposition of Stephen Byrne, Case No: 2017-CP-25-355, dated 8/14/18

GARY C. JONES*Curriculum Vitae*

1555 North Astor Street
 Apt. 22W
 Chicago, Illinois 60610
 +1-312-643-0498 Office
 +1-312-402-2954 Mobile
gary@jonespartners.net

EXPERTISE:

Power Plant Design	Project Development
System Design and Engineering	Reengineering
Safety Reviews	Business Management
Project Management	Executive Consulting
Engineering Management	Resource Allocation
Quality Improvement	International Business
Safety Standards Development	Application of Safety Standards
Construction Cost and Schedule Monitoring	Expert Testimony

PROFESSIONAL EXPERIENCE:

December 2008 –Present JONES PARTNERS, LTD., Chicago, IL, USA

President

Leader of a private energy consulting firm currently providing confidential consulting services to the prime contractor as part of a team of nuclear industry experts with regard to an on-going arbitration on a large nuclear power plant under construction in Europe and providing construction monitoring and budgetary oversight consulting services to the South Carolina Office of Regulatory Staff. Also preparing and delivering expert testimony to an international arbitration tribunal and to the South Carolina Public Service Commission.

Provided consulting engineering services in Vienna in 2009 to the International Atomic Energy Agency (IAEA) on the final report on the safety review of Ukrainian nuclear power plants and served in July 2011 as part of the team in Cairo to perform a safety compliance review the Egyptian Request for Proposal for their first nuclear power plant.

Instructor at American Society of Mechanical Engineers (ASME) seminars on new nuclear power plant system design in June 2009 in Atlanta, GA, June 2010 in Bethesda, MD, June 2011 in Columbia, SC and June 2012 in Augusta, GA.

July 2006 – November 2008 INTERNATIONAL ATOMIC ENERGY AGENCY, Vienna, Austria

Senior Engineering Safety Officer

Team leader in the development, review and revision of international nuclear safety standards and in assisting IAEA Member States in the application of these safety standards to their nuclear facilities through workshops, training courses, missions, conferences, seminars, scientific visits and other means. Project Manager of a multi-million

dollar European Commission funded program to assess the compliance of the 15 Ukrainian nuclear power plants with IAEA Safety Standards.

2004 – July 2006 JONES PARTNERS, LTD., Chicago, IL, USA

President

Leader of a private energy consulting and real estate investment firm.

1971 – 2003 SARGENT & LUNDY, LLC, Chicago, IL

1988-2003 Sr. Vice President/Owner

- Led a multi-million dollar global consulting organization to perform high level, quality driven consulting assignments in the development, assessment, design, construction and operation of power facilities.
- Led the engineering and design for the restart of nuclear power plants and directed staff in all disciplines associated with plant restart, providing licensing interface and analytical support for submissions to the Nuclear Regulatory Commission.
- Provided the full range of architect-engineering services to support the on-going operation of nuclear power plants including safety review, licensing and regulatory support, corrective action programs and procedure and test review.
- Served as Mechanical Department Manager and executive in charge of all mechanical discipline resources in the company including standards, software, recruitment, project staffing, training, quality performance and budget.
- Developed strategies and resources to increase business creating a profitable, respected organization; ensured financial performance, technical compliance and human resource management and development.
- Directed the assessment and implementation of the Sargent & Lundy conversion from a partnership to a Limited Liability company; managed the development and implementation of regional offices.
- **SELECTED LEADERSHIP ROLES INCLUDE:**
 - Served as interim Mechanical and Structural Chief Engineer for Commonwealth Edison Company Nuclear Division responsible for oversight and corporate engineering at all nuclear power plants.
 - Senior review board member for the Dresden Integrated System Inspection.
 - Independent safety review for Peoples Republic of China's first indigenous nuclear power plant, Qin Shan, including visits to the PRC and interface with the Shanghai Nuclear Engineering Design Institute.
 - Independent design review of Korea Electric Power Corporation/Korea Power Engineering Company Yonggwang 3 and 4 nuclear power plant.
 - Developed industry standards, guidelines and software applications in conjunction with the Electric Power Research Institute.

- Remediation and decommissioning studies and assessments for Savannah River and Argonne National Laboratory environmental cleanup of nuclear and hazardous wastes.
- Root cause investigations to determine reasons for failure and recommendations for fixes of various power plant systems including diesel generators, pumps, valves and other major components and systems.
- Development and implementation of new business strategies, processes, standards and procedures as Executive Director of Nuclear Services.
- Company-wide Malcolm Baldrige self-assessment and the Total Quality Management implementation in addition to special post-implementation assessment teams.

1976-1988 Associate/Project Manager, Sr. Mechanical Project Engineer

- Planned, coordinated and monitored performance for full scope engineering and design projects for Commonwealth Edison's Braidwood and Indiana's Marble Hill nuclear stations.
- Managed 1,500 engineering personnel assigned to projects.
- Project Manager for Design Basis Verification Program at TVA's Watts Bar Nuclear power plant.
- Led the mechanical Nuclear Steam Supply System process and physical engineering and design for Commonwealth Edison's dual unit LaSalle nuclear power station.
- Served as principal technical interface and author of the LaSalle County Station Final Safety Analysis report.

1971-1976 Mechanical Engineer

- Performed engineering duties for multiple nuclear power plants.

1966-1967 OAK RIDGE NATIONAL LABORATORY, Oak Ridge, TN, USA

1968-1969

Cooperative Education Assignments

- Radioisotopes Division
- Reactor Operations Division

EDUCATION:

- Bachelor of Science, Engineering Science – Mechanical and Nuclear Tennessee Technological University in Cookeville, TN
- University of Michigan Executive Program

REGISTRATIONS:

- Professional Engineer – Missouri and South Carolina

ASSOCIATIONS:

- American Nuclear Society Life Member
- American Society of Mechanical Engineers Life Member

- Founder, Past President and Past Vice President of the Engineers Without Borders-USA-Chicagoland Professional Chapter
- Past member of the Great Lakes Region Technical Advisory Committee of Engineers Without Borders-USA
- Founding Board Member of SALUTE, Inc., a non-profit organization assisting military service personnel and their families

Abney A. (Skip) Smith
Manager
Business & Financial Services
New Nuclear Deployment



February 29, 2012
NND-12-0111

Ms. JoAnne W. Hyde
Commercial Director
Westinghouse Electric Company
Nuclear Power Plants
1000 Westinghouse Drive, Suite 112
Cranberry Township, PA 16066

Subject: Owner Payment in accordance with Agreement section 8.4(b)(i) related to Payment Dispute of Stone & Webster, Inc. Target Price Milestone Invoice, Invoice Number 1173162-R8-00360 dated January 9, 2012

Reference: (1) Engineering, Procurement, and Construction Agreement AP1000 Nuclear Power Plants, dated May 23, 2008 – V.C. Summer Units 2 and 3 ("Agreement")
(2) Stone & Webster, Inc. Target Price Milestone Invoice Number 1173162-R8-00360 dated January 9, 2012
(3) NND-12-0036, dated January 23, 2012
(4) VSP_VSG_001660, dated February 3, 2012
(5) NND-12-0073, dated February 13, 2012

Dear Ms. Hyde,

Pursuant to Article 8.4(b)(i) of the Engineering, Procurement and Construction Agreement, dated May 23, 2008 ("Agreement"), this letter serves as notice that we will transfer funds totaling \$168,931.28 to Stone & Webster, Inc. on February 29, 2012. This amount represents the amount disputed from the above referenced invoice. Pursuant to Article 8.5 of the Agreement, this payment does not constitute approval or acceptance of the charges being disputed and we remain in dispute of most of the craft per diem charges for the week the Consortium chose to close the site.

We have reviewed additional documentation provided by the Consortium on February 23, 2012 and have changed the amount of the dispute to \$164,453.89. Support for our decision to dispute the payment has been communicated in the above referenced Owner letters. This dispute will be elevated to the Invoice Issues Review Committee (IIRC) for resolution.

If you have any questions, please contact me at (803) 941-9816.

SCE&G | New Nuclear Deployment • P. O. Box 88 • MC P40 • Jenkinsville, South Carolina 29065 • www.sceg.com

February 29, 2011
NND-12-0111
Page 2 of 2

Sincerely,


Abney A. (Skip) Smith
Manager
Business & Financial Services

AAS/slw

c: Carlette Walker – SCE&G
Ron Clary – SCE&G
Alan Torres – SCE&G
Brad Stokes – SCE&G
Al Paglia – SCE&G
Roosevelt Word – SCE&G
Larry Cunningham – SCE&G
Al Bynum – SCE&G
Marion Cherry – Santee Cooper
Michael Crosby – Santee Cooper
Thomas Sliva – Westinghouse
Lisa Mastandrea – Westinghouse
Travis Tomb – Westinghouse
Susan May – Westinghouse
Joseph Deley – Westinghouse
Jeff Coward – Westinghouse
William Fox – Shaw S&W
Theo Preller – Shaw S&W
Lucinda Vasbinder – Shaw S&W
Robert Hoak – Shaw S&W
Rebecca Stevens – Shaw S&W
Dale Garrison – Shaw S&W
Randy Harrison – Shaw S&W
Clint Patterson – Shaw S&W
Ricky Gill – Shaw S&W
VCSummer2&3ProjectMail@shawgrp.com
vcsummer2&3project@westinghouse.com
VCSNNDCorrespondence@scana.com
DCRM-EDMS@SCANA.COM

CB&I closes \$3B Shaw Group acquisition - Houston Business Journal

Page 1 of 1

SELECT A CITY ▼

INDUSTRIES & TOPICS

NEWS

LISTS & AWARDS

PEOPLE & COMPANIES

EVENTS

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Q

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From the Houston Business Journal:

<https://www.bizjournals.com/houston/news/2013/02/13/cbi-closes-3b-shaw-group-acquisition.html>

CB&I closes \$3B Shaw Group acquisition

Feb 13, 2013, 2:48pm CST

Chicago Bridge & Iron Company NV (NYSE: CBI) said Wednesday it completed its \$3 billion acquisition of The Shaw Group (NYSE: SHAW).

CB&I, a Netherlands-based engineering, procurement and construction provider for the oil and gas industry, which has its administrative headquarters in The Woodlands, agreed to buy Shaw, a Louisiana-based engineering and construction company, in July. Shaw shareholders approved the acquisition in late December.

With the acquisition, CB&I will expand its engineering and construction portfolio, which includes building nuclear reactors permitted in the U.S. since 1978.

CB&I now has 50,000 employees across the world, according to a statement from Philip Asherman, president and CEO.

The *Charlotte Business Journal*, an affiliated publication, reports that analysts believe the move will be good for the company and have increased estimates for CB&I's target price per share.

The *CBI* also reported that Jim Bernhard, Shaw's former CEO, is up for consideration to replace Steven Chu as President Barack Obama's energy secretary.

Molly Ryan
Reporter
Houston Business Journal



CB&I will have 50,000 employees after acquiring The Shaw Group.

f

<https://www.bizjournals.com/houston/news/2013/02/13/cbi-closes-3b-shaw-group-acquisit...> 8/31/2018



SCANA Media Contact:
Rhonda O'Banion
800-562-9308
rhonda.obanion@scana.com

SCANA Investor Contact:
Iris Griffin
803-217-6642
igriffin@scana.com

SCE&G Completes First Nuclear Concrete Placement

Cayce, S.C., March 11, 2013...South Carolina Electric & Gas Company (SCE&G), principal subsidiary of SCANA Corporation (NYSE:SCG), completed on March 11, 2013, placement of the nuclear island basemat for V.C. Summer Unit 2 in Fairfield County, S.C. This major milestone is the first new construction nuclear concrete to be poured in the U.S. in three decades.

"This is an exciting achievement for SCE&G, Santee Cooper, CB&I, Westinghouse Electric Company, and others who support our new nuclear project," said Kevin Marsh, chairman and CEO of SCANA. "We recognize the significance of this event and appreciate the strong commitment to safety and collaboration demonstrated by all involved in reaching this milestone."

Lonnie Carter, president and CEO of Santee Cooper, which co-owns V.C. Summer, said, "This is a tremendous day for South Carolina as we work with SCANA to deliver new nuclear generation that will help ensure reliable, affordable electricity for decades to come. We've come to this point through the diligent and conscientious attention to task by everyone involved, from our crews to the Nuclear Regulatory Commission."

The basemat provides a foundation for the containment and auxiliary buildings that are within the nuclear island. Measuring 6 feet in thickness, the basemat required approximately 7,000 cubic yards of concrete to cover an area about 250 feet long and 160 feet at its widest section. Completed about 10 a.m. today, this 51.5-hour continuous pour of concrete covered a surface totaling 32,000 square feet.

About 1,550 workers are currently involved in constructing two new reactors at V.C. Summer, where Unit 1 has operated safely and reliably for 30 years. The new nuclear project will peak at about 3,000 workers over the course of three to four years. The two 1,117-megawatt units will add 600 to 800 permanent jobs and bring SCE&G's portfolio to 60 percent non-emitting sources when they start generating electricity in 2017 and 2018, respectively.

PROFILE

SCE&G is a regulated utility engaged in the generation, transmission, distribution and sale of electricity to approximately 670,000 customers in South Carolina. The company also provides natural gas service to approximately 323,000 customers throughout the state. More information about SCE&G is available at www.sceg.com.

SCANA Corporation, headquartered in Cayce, S.C., is an energy-based holding company principally engaged, through subsidiaries, in electric and natural gas utility operations and other energy-related businesses. In addition to its approximately 670,000 electric customers in South Carolina, the company serves more than 1.2 million natural gas customers in South Carolina, North Carolina and Georgia. More information about SCANA is available at www.scana.com.

February 29, 2011
NND-12-0111
Page 2 of 2

Sincerely,


Abney A. (Skip) Smith
Manager
Business & Financial Services

AAS/slw

c: Carlette Walker – SCE&G
Ron Clary – SCE&G
Alan Torres – SCE&G
Brad Stokes – SCE&G
Al Paglia – SCE&G
Roosevelt Word – SCE&G
Larry Cunningham – SCE&G
Al Bynum – SCE&G
Marion Cherry – Santee Cooper
Michael Crosby – Santee Cooper
Thomas Sliva – Westinghouse
Lisa Mastandrea – Westinghouse
Travis Tomb – Westinghouse
Susan May – Westinghouse
Joseph Deley – Westinghouse
Jeff Coward – Westinghouse
William Fox – Shaw S&W
Theo Preller – Shaw S&W
Lucinda Vasbinder – Shaw S&W
Robert Hoak – Shaw S&W
Rebecca Stevens – Shaw S&W
Dale Garrison – Shaw S&W
Randy Harrison – Shaw S&W
Clint Patterson – Shaw S&W
Ricky Gill – Shaw S&W
VCSummer2&3ProjectMail@shawgrp.com
vcsummer2&3project@westinghouse.com
VCSNNDCorrespondence@scana.com
DCRM-EDMS@SCANA.COM

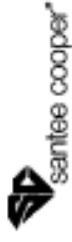
REDACTED


 santee cooper

VC Summer New Nuclear Deployment Project Units 2 and 3

Board of Directors Meeting

June 24, 2013



Topics

Schedule Delay / Cost Impact

Construction Update

Equipment Deliveries

Near-Term Milestones

Confidential Treatment Requested by Santee Cooper

CRS_00011442



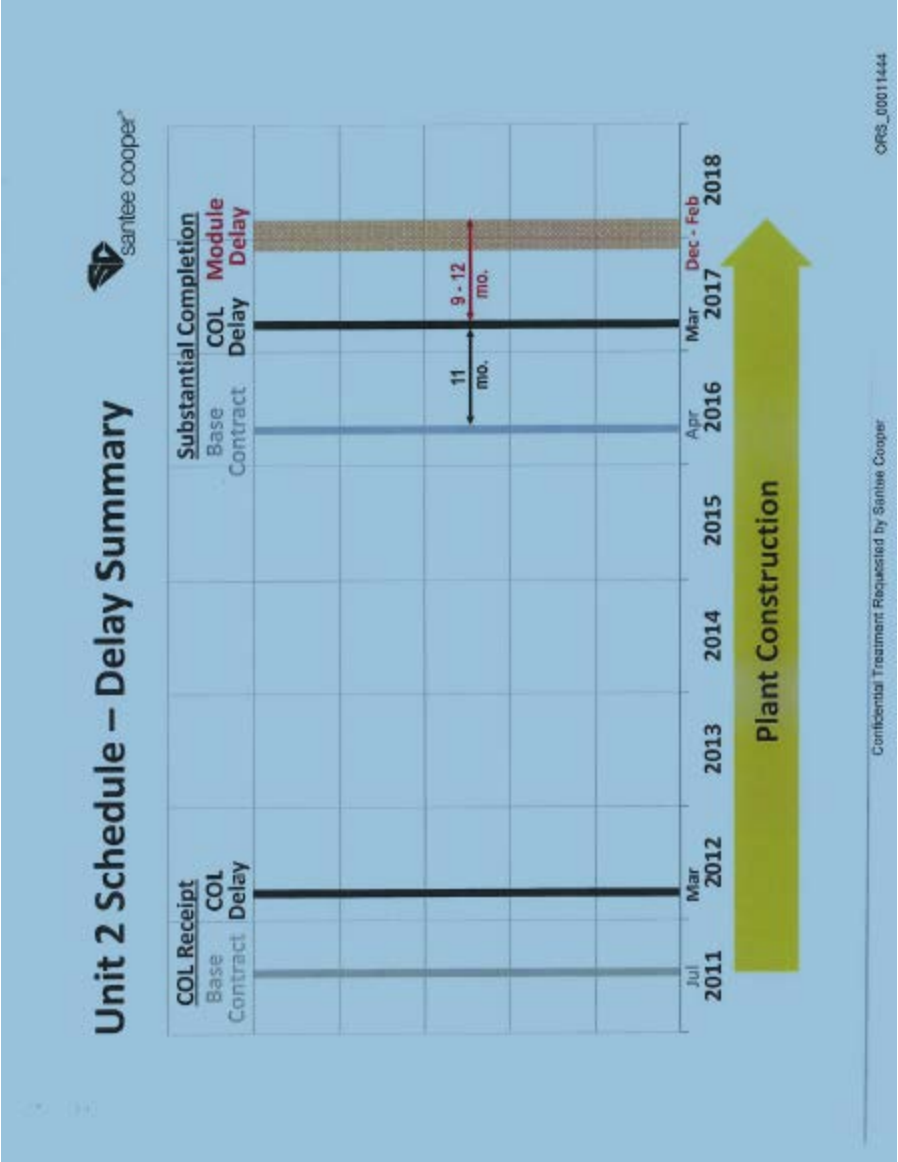
Topics

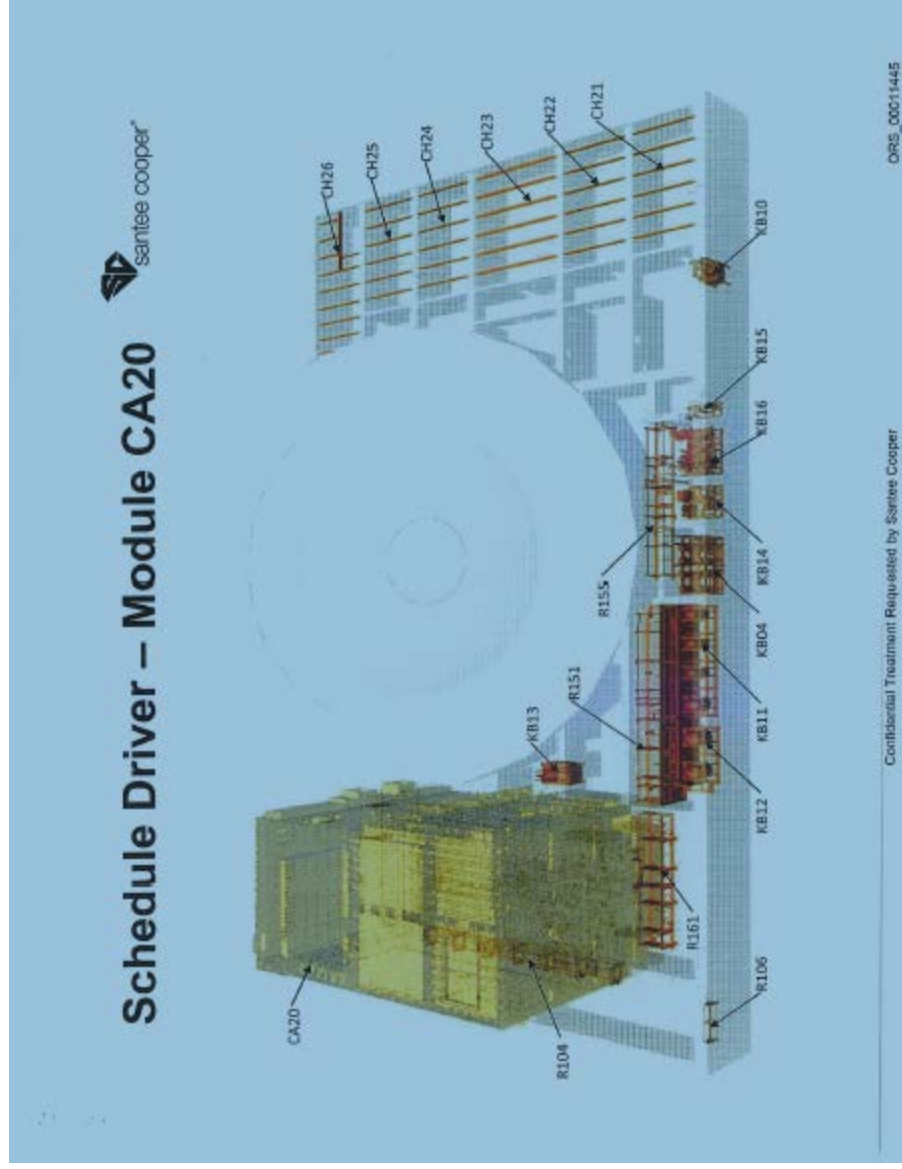
Schedule Delay / Cost Impact

Construction Update

Equipment Deliveries

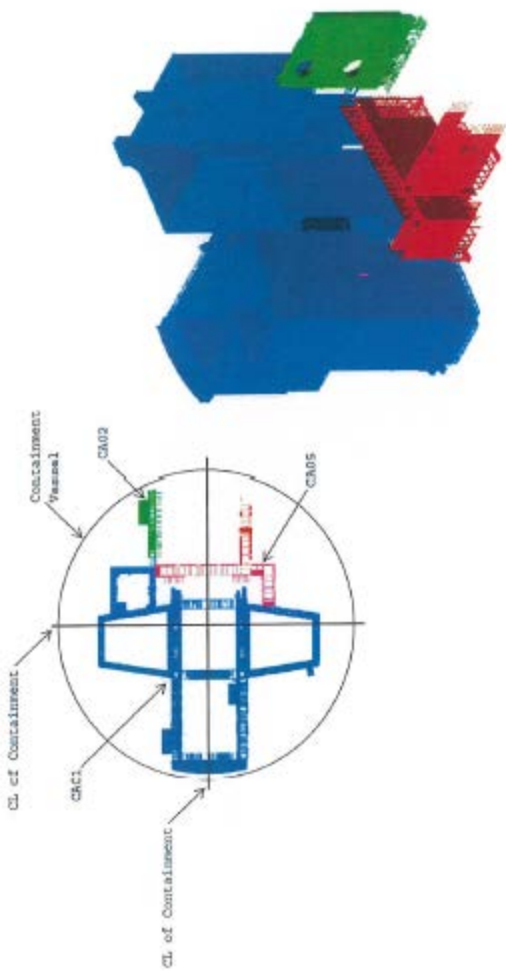
Near-Term Milestones







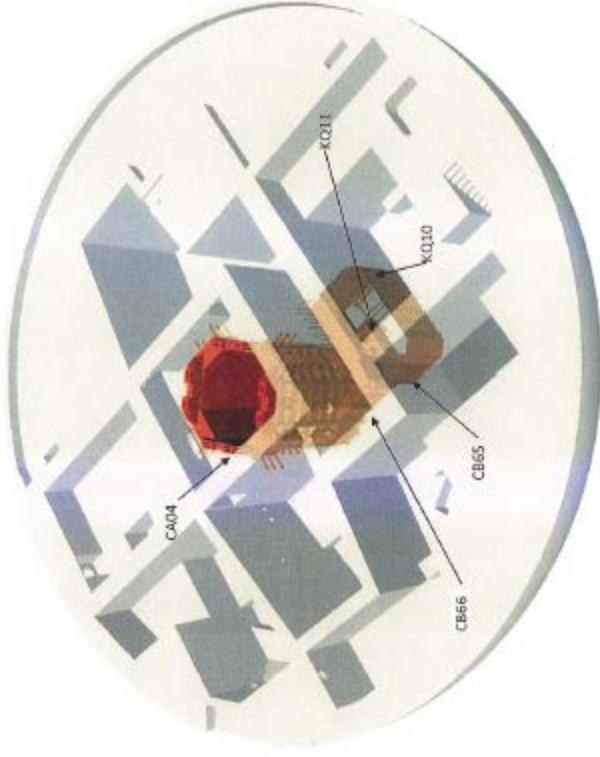
Schedule Driver – Module CA01



ORS_0001446

Confidential Treatment Requested by Santee Cooper

Schedule Driver – Module CA04

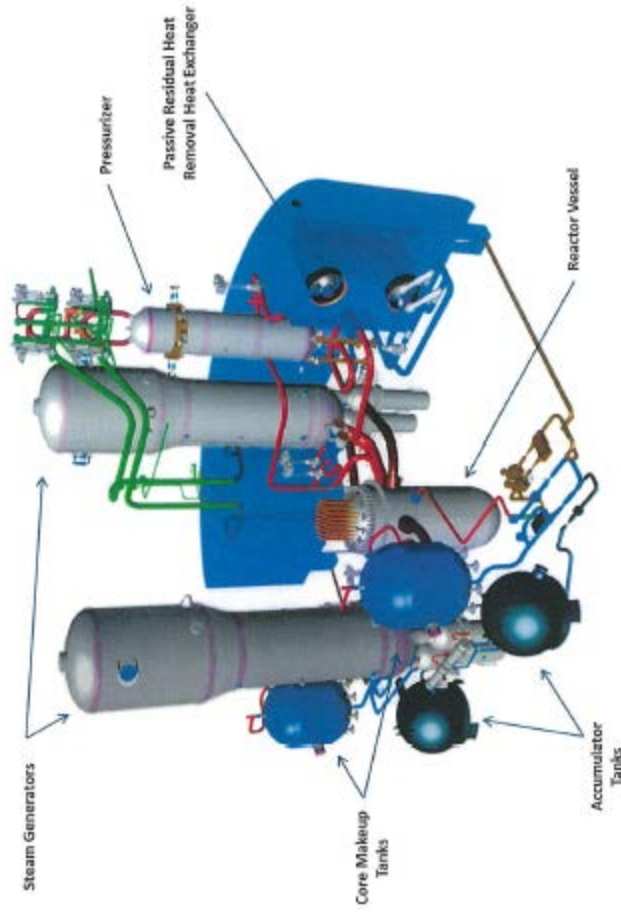


Confidential Treatment Requested by Santee Cooper

ORS_00011447



Schedule Driver – Module CA03



Confidential Treatment Requested by Santee Cooper

ORS_00011448

Module Delay – Estimated Cost Impact

Area	Increase (\$ millions)	Notes
EPC	119	Target / T&M Categories – Labor Carrying Cost
EPC Escalation	139	Firm Categories – Affected Constr. Milestones
Owners' Cost	130	Unit 2 & 3 Staff Carrying Cost & assoc. OHs
Total	388	
Liquidated Damages	(131)	Capped at \$77.75M per Unit
Net after LDs	257	
SCE&G – 55%	141	
SCPSA – 45%	116	
Assumptions: <ul style="list-style-type: none"> • Unit 2 Delay – 12 months • Unit 3 Delay – 9 months • EPC Change Order – no base contract price increase • Long Lead Equipment (non-module) – no delivery deferrals • Owners' Cost – no hiring deferrals 		

Confidential Treatment Requested by Santee Cooper

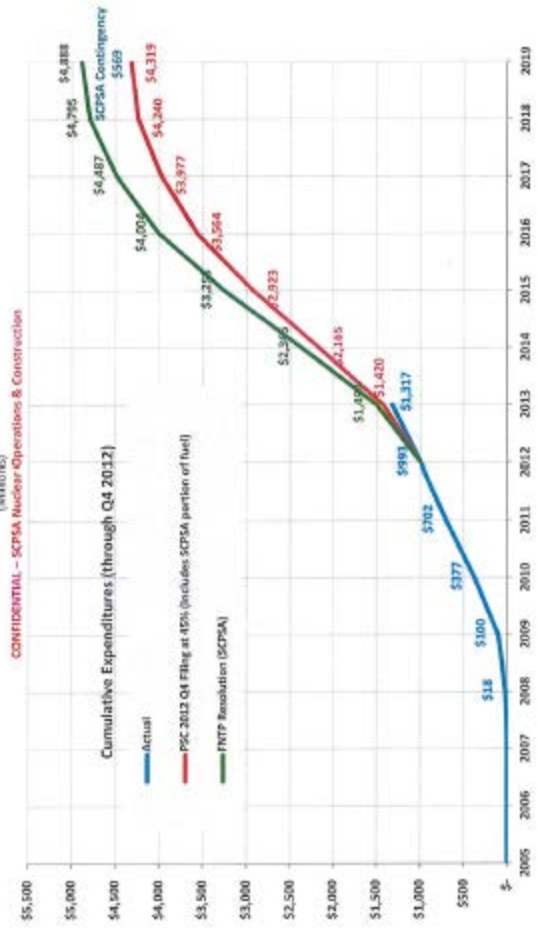
ORS_00011449



EXECUTIVE MANAGEMENT REPORT

Cumulative Cash Flows

V. C. Summer - New Nuclear Deployment Project
SCPSA 45% Share
(Millions)





Topics

Schedule Delay / Cost Impact

Construction Update

Equipment Deliveries

Near-Term Milestones



Topics

Schedule Delay / Cost Impact

Construction Update

Equipment Deliveries

Near-Term Milestones

Confidential Treatment Requested by Santee Cooper

ORS_00011452

Unit 2 Equipment Deliveries Remaining for 2013



- Turbine Generator
- Accumulator Tanks
- Core Makeup Tanks
- Reactor Coolant Loop Piping
- Pressurizer
- Steam Generators
- Reactor Vessel
- Control Rod Drive Mechanisms

Confidential Treatment Requested by Santee Cooper

ORS_00011463

1 2



Topics

Schedule Delay / Cost Impact

Construction Update

Equipment Deliveries

Near-Term Milestones

Confidential Treatment Requested by Santee Cooper

ORS_00011454

Near-Term Milestones



Unit 2 Milestones	Projected Date
CA04 – Lift / Set / Align	Sep 2013
Condensers – Lift / Set / Align	Oct 2013
CA20 – Lift / Set / Align	Nov 2013
Containment Vessel Ring 1 – Lift / Set / Align	Nov 2013

Unit 3 Milestones	Projected Date
Nuclear Island Basemat – Place FNC	Oct 2013



Executive Office
Santee Cooper
220 Operation Way, D302
Cayce, South Carolina 29033
Phone: 803.781.1000
Fax: 803.781.1001

Confidential Contract Negotiations

August 23, 2013

Kevin B. Marsen
Chairman & CEO
SCE&G
220 Operation Way, D302
Cayce, South Carolina 29033

Dear Kevin:

For almost two years, SCE&G and Santee Cooper have been working with the Consortium (Westinghouse and CB&I) to correct submodule delivery issues from the Lake Charles fabrication facility. When we discussed these problems earlier this year, we were hopeful that the Chicago Bridge & Iron (CB&I) acquisition of The Shaw Group (February 2013) would have an overall positive impact on the project, and particularly a positive impact on the Consortium's ability to fabricate and deliver submodules.

On April 9, 2013, we met in Columbia with CB&I executive leadership to review its module fabrication status, to include its plan to correct Lake Charles performance issues. CB&I committed to deliver 83 submodules by the end of 2013. Several days after the meeting, CB&I provided its submodule delivery schedule, also dated April 9, 2013, which committed CB&I to only 69 submodules for the remainder of 2013.

As anticipated, the CB&I submodule delivery schedule was integrated into the overall project schedule and resulted in a delay to substantial completion of V.C. Summer Unit 2. This delay was quantified as nine to twelve months and publicly announced to the financial community by SCE&G at an Analyst Day presentation June 5, 2013.

As I am sure you are aware, based on the CB&I schedule, only five of thirteen scheduled submodules have been delivered as of this writing. Although early indications seemed positive that CB&I executive management were engaged in improving the performance at Lake Charles, the delivery record unfortunately demonstrates otherwise, placing the project schedule in jeopardy once again. I know you agree that this is unacceptable.

The Consortium's inability to deliver submodules has been a major source of concern and risk for this project for a long time. At the last president's meeting on June 21, 2013, the Westinghouse and CB&I discussion demonstrated that they do not function well as a team to resolve critical project issues. The Consortium's schedule performance, including any associated module delay costs currently embedded in project costs or future claims against the

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Kevin B. Marsh
August 23, 2013
Page 2

project, are simply unacceptable to Santee Cooper. Our view is that the Consortium's inability to fulfill their contractual commitments in a timely matter places the project's future in danger. SCE&G and Santee Cooper need to examine together the remedies provided for under the EPC for the Consortium's failure to perform and exercise the fullest extent those remedies to protect our interests.

Kevin, based on our discussion, I know that you share my concern for the fabrication of the submodules in a timely manner. This has become a critical issue for the project and our companies. I recommend that we meet with our senior team members involved in the project and develop a plan forward. The plan should make clear that we hold the Consortium accountable for the costs to our companies and should insist on the Consortium providing a realistic plan that can be executed by the Consortium to fabricate and deliver the submodules in a timely manner to complete the project on schedule.

Please call me soon to further discuss this matter.

Sincerely,



Lonnie N. Carter

LNC:ah

To: LINDSAY, RONALD[RONALD.LINDSAY@scana.com]
From: BYNUM, ALVIS J JR
Sent: Thur 9/5/2013 7:54:33 PM
Subject: Fw: Fwd: Meeting with SCANA and Santee Cooper

Al Bynum

From: Pelcher, Steve [mailto:stephen.pelcher@santeecooper.com]
Sent: Thursday, September 05, 2013 07:20 PM
To: BYNUM, ALVIS J JR
Subject: Fwd: Meeting with SCANA and Santee Cooper

Stephen Pelcher

Begin forwarded message:

From: "Carter, Lonnie" <lonnie.carter@santeecooper.com>
Date: September 5, 2013, 6:23:27 PM EDT
To: "MARSH, KEVIN B" <KMARSH@scana.com>
Cc: "Brogdon, James" <jim.brogdon@santeecooper.com>
Subject: RE: Meeting with SCANA and Santee Cooper

Kevin,

Thanks. I believe your letter is clear and expresses the urgency well. I can make all of the dates you have given them work.

Let me know when we can get together with our teams to consider our options and chart a course to get them back on schedule. My folks have been meeting and considering various options that we would like to discuss with you and your team. One thing they brought to my attention today is that SCANA has outside counsel with construction litigation experience (Smith Currie and Hancock?). I assume they would likely represent SCANA and Santee Cooper in any litigation. If that is the case, I recommend we get them involved. We need their advice before we meet with Roderick and Asherman.

I hope you hear from these guys before close of business tomorrow. If you don't, that will be a really bad sign.

Please call me when you hear something or have a suggested time for us to meet.

Thanks,
Lonnie

From: MARSH, KEVIN B [mailto:KMARSH@scana.com]
Sent: Thursday, September 05, 2013 5:29 PM
To: roderidl@westinghouse.com; pasherman@cbl.com
Cc: Carter, Lonnie; BYRNE, STEPHEN A; ARCHIE, JEFFREY B; BYNUM, ALVIS J JR; LINDSAY, RONALD; ADDISON, JIMMY E
Subject: Meeting with SCANA and Santee Cooper

Dear Danny and Phil,

I requested a meeting with both of you two weeks ago to discuss the status of our nuclear project. We and our partner Santee Cooper continue to have serious concerns about the consortium's ability to deliver modules from the Lake Charles facility. The consortium is now in its third year of unsuccessful attempts to resolve its manufacturing problems at the facility which continue to impact our project negatively. Your missed deadlines put potentially unrecoverable stress on the milestone schedule approved by the SC Public Service Commission. I don't have to remind you that continuing delays and cost overruns are unacceptable from a public perspective and could have serious effects. We need to meet.

Please consider 9/13 at 10am or after, 9/16 at 3pm, 9/18, or 9/20 as potential dates for a meeting. You can fly to our hanger at the Columbia Airport and we will meet in the conference room.

Thank You.

Kevin Marsh
 SCANA Corporation
 803-217-8097

Confidentiality Notice:
 This message is intended exclusively for the individual or entity to which it is addressed. This communication may contain information that is proprietary, privileged, confidential or otherwise legally exempt from disclosure. If you are not the named addressee, you are not authorized to read, print, retain, copy or disseminate this message or any part of it. If you have received this message in error, please notify the sender immediately either by phone or reply to this e-mail, and delete all copies of this message.



INTER-OFFICE COMMUNICATION

Date: October 21, 2013

To: James E. Brogdon, Executive Vice President and General Counsel
Steve Pelcher, Deputy General Counsel, Nuclear and Regulatory Compliance

From: Lonnie N. Carter, President and Chief Executive Officer

Subject: Consortium Meeting regarding Summer Units 2 and 3 on September 18, 2013

Kevin Marsh and I met with Consortium CEO's to discuss the schedule of module and submodule completion for Summer Units 2 and 3. Santee Cooper and SCANA requested the meeting three weeks earlier to express concern regarding the late delivery at the point of the meeting of 15 submodules from Lake Charles. Attending the meeting for SCANA was Kevin Marsh, Chairman and CEO. I represented Santee Cooper. Representing Toshiba was Chairman Shigenori Shiga. Representing Westinghouse was Danny Roderick, President and CEO, Mark Morant and another gentleman, who was not identified until later in the meeting. He was there not as part of our meeting but another meeting they were traveling to after ours. Representing CB&I were President and CEO, Phil Asherman, Executive Vice President, Luke Sorenson, Lasa (not familiar with his first name), COO, and Jeff Lyash.

Kevin Marsh started the meeting by expressing our concern that CB&I was failing to deliver submodules to the site as provided in their April 9, 2013 schedule. He reminded them that Santee Cooper and SCANA had agreed to wait until CB&I was able to evaluate the circumstances at Lake Charles before providing the schedule following their acquisition of Shaw. That schedule was provided on April 9th and was the basis for the request by SCANA and Santee Cooper to provide a revised overall project schedule. That revised schedule provided for Summer Unit 2 to come on line between December 2017 and March 2018. Summer Unit 3 would follow approximately 12 to 15 months later. SCANA announced the revised schedule at its Analyst Day presentation on June 5, 2013 and Santee Cooper also began using the revised schedule in its discussions with investors and in its official statement for bond offerings. As of the date of our meeting, CB&I and the Consortium has failed to deliver 15 submodules. These submodules are critical for the completion of module CA20. According to the June 2013 schedule, module CA20 must be set by the end of October 2013 in order to remain on the current schedule.

Both Kevin and I explained our grave concern regarding the inability of CB&I and Lake Charles to deliver submodules as scheduled. We pointed out that Santee Cooper and SCANA had been working with Shaw and now CB&I for almost three years in order to make sure that the submodules could be delivered timely. During that time, at a series of meetings Shaw/CB&I gave us plans and assurance that they would take the necessary steps to deliver modules in a timely manner. Their failure to provide modules on a timely manner is now having a critical impact on the project and if not addressed immediately could mean that our organizations would be forced to take drastic action. Kevin and I went on to note that we have received so many new schedules that they are meaningless. We have no real confidence in their ability to provide modules as scheduled. We have reminded them that we have given CB&I additional time after their acquisition of Shaw to determine an accurate schedule for delivering modules. Now this

James E. Brogdon
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information has been provided to analysts and potential investors. The Consortium's commitment to addressing the issues has very low credibility with our organizations. Our expectation is that the Consortium, CB&I, and Westinghouse, will correct these problems in a timely fashion so that they can get the project back on schedule and meet the December 2017 substantial completion date. We made clear that this was our expectation that the June 2013 project schedule would be met and the Consortium would use whatever resource necessary to meet such schedule. We reminded them that we had not agreed to the delay that brought us to this schedule nor would we be willing to provide any additional compensation. Kevin reminded them that the July 11, 2012 change order provided additional compensation for module design and fabrication issues but fixed the cost of such modules to the project, meaning that CB&I had assumed the liability for any and all future costs associated with module fabrication including delays. We further explained that this project receives very close scrutiny from the financial community, regulators, and our customers. There is a very close watch on schedule, budget, and cost overruns. The recently announced delay in June exacerbates these concerns. Any lack of module deliveries in August and September is unacceptable coming just weeks after receiving a revised project schedule. Our expectation is that the Consortium will correct these problems and get the project back on schedule.

I pointed out that Santee Cooper is in the process of preparing to enter the financial market to issue some additional long term debt with longer maturities. Santee Cooper must be prepared to explain the schedule and would have to disclose any items or any matter or issue which was potentially having a material delay on the project schedule. Kevin indicated that SCANA would likely be in the market in October as well. I requested that the Consortium provide Santee Cooper and SCANA a letter setting forth their view of where they were on the schedule.

Both Kevin and I pointed out that failure to deliver the modules on schedule would be received poorly by the financial community and regulators. The regulators likely would not approve further delays or costs increases and the financial community would not likely lend additional money at competitive interest rates. Therefore, it is imperative that the Consortium stick to the schedule and budget for the project. I believe judging from the reactions of Phil Asherman and Danny Roderick that they were not aware of how closely monitored the schedule and cost are and how those could potentially lead to the cancellation of the project.

Luke Sorenson spoke up and indicated that they believed that the project was on schedule. CB&I recognized some of its issues regarding the manufacturer and fabrication of modules at Lake Charles. He indicated that all of the submodules for CA20 would be received at site ready for assembly by October 25th. He further indicated that in the next six weeks, 14 key modules would be delivered to the site and ready for use, 8 modules would be fixed at the site; these are the so called Legacy modules from Lake Charles, 6 modules would come from Lake Charles. The October 25 delivery date should allow for CA20 to have a "hook date" of January 14th. Jeff Lyash spoke up and indicated that they still believe that the December 2017 substantial completion date is achievable. The Consortium, in particular, CB&I are on course and taking actions to make this schedule.

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The group of Consortium representatives began to explain themselves, they indicated that they recognized when they provided the revised schedule for modules on April 9, 2013 that additional manufacturing capability was necessary to meet the schedule. CB&I has been in the process of identifying additional manufacturing capacity. They indicated they had qualified five potential suppliers and were negotiating with one of these third parties to provide additional manufacturing and fabrication. All of these suppliers are currently nuclear qualified. It was unclear to me as to whether all of the suppliers were domestic although several clearly were. In addition to this additional help, they have engaged Electric Boat. Although, my understanding is Electric Boat is not doing certified nuclear work.

Luke Sorenson indicated that as they begin to work on CA01 submodules, one of those modules takes up almost the entire Lake Charles facility. This was cited as the reason for needing to ship the so called Legacy modules still requiring some additional minor work or paperwork associated with them prior to their being able to be turned over to the site for inclusion. Minor work was indicated as very small welding or grinding or in some cases simply just paperwork. I expressed my doubts regarding the so called legacy modules. I pointed out that if these matters are so simple why it has taken them so long to correct them and get these modules to the site. The indication was given that the Consortium needed to put primary focus on getting modules complete and that they would continue to work on getting the Legacy modules complete and ready for assembly at the site. Their assessment is that this can best be accomplished by moving these modules out of Lake Charles, providing the additional space there for a manufacture of other modules need for CA01. The more simple tasks needed for the Legacy modules would be more efficiently done at the site. Kevin and I both stated that this was being done at their direction and their expense and they were to keep them separate and apart from any of the activity currently ongoing at the site.

Since the Consortium (Roderick, Asherman, and Lyash) indicated they believe the project schedule was still very makeable and they were taking the appropriate actions (e.g. procuring other suppliers, reorganizing work flow, correctly network, freezing design changes) to ensure that this schedule was met, I asked the Consortium to provide SCANA and Santee Cooper with a letter detailing just such. I also asked that they provide a detailed schedule that would allow Santee Cooper and SCANA to see weekly the actual module schedules to be delivered in order to meet the schedule they were currently on and how this would ultimately dovetail in to the existing schedule and allow them to get back on schedule. Phil Asherman and Danny Roderick agreed to provide such letter and provide two schedules. The first schedule is a so called level one schedule that would show how the overall project is expected to be met with Summer Units 2 and continue to bring Unit 3 online within in 12 to 15 months of Unit 2. They also agreed to provide a granular schedule which according to them will show daily schedule deliveries for CA01 and CA20. Kevin and I accepted this commitment and encouraged them to get it to us right away. Danny Roderick indicated that the schedule would be forthcoming but certainly within a week.

Shiga reported that Toshiba has been providing and continues to provide some oversight to Westinghouse and CB&I in the way of expertise, scheduling and sequencing. They are also

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providing additional help for the nuclear island and turbine building. He indicated that Toshiba understands their liability to SCANA and Santee Cooper. Also, Toshiba is providing engineering and support to ensure that the project stays on schedule. He also indicated that Toshiba will be bidding as a third party on the additional module manufacturing capability.

I reminded the group that these developments while sounding positive quite frankly were as we pointed out at the beginning of the meeting not considered reliable. They had not met prior schedules. However, I was willing to accept them as information and proceed as they indicated. We expected to receive the letter including both the level one and granular schedule right away as we would be in the financial market right away. I also encouraged them (Kevin supported) to communicate directly with Kevin and I if they were unable to meet any of the schedules that they have provided regardless of the reason. Both Asherman and Roderick agreed that such communication should take place and this might have alleviated some of the concern expressed by us today. I provided them with my business card which contains all of my contact information including my mobile phone and encouraged them to contact us. They indicated they had the same information for Kevin. That way they would know first-hand from them what their organizations were completing.

Kevin asked the Consortium to review the cash flow projections for the project and to revise the projections as warranted. He noted that the current projections did not reflect the December 2017 schedule. This was an issue with South Carolina Public Service Commission. The Consortium agreed to review and revise as necessary. No time frame was given to complete this task.

Kevin went on to express concern regarding the management capabilities in that at Lake Charles. He indicated that their assessment was that the person managing that facility needed to have prior nuclear experience, particularly nuclear certification type experience.

Everyone, except for the CEO's from the five companies were excused and left the room. Asherman, Shiga, Roderick, Marsh and I remained in the room for a private conversation. CB&I indicated plans to replace the management at the Lake Charles facility with someone who has nuclear certification experience. They pointed out that their reason for hiring Jeff Lyash, a former Progress Energy employee, was for the purpose of adding nuclear experience to their management team. They also indicated that Lee Presley will be on site at Jenkinsville and has nuclear experience. CB&I will look for additional talent. This is a result of Bill Fox's recent resignation. During the private meeting of just the CEO's both Kevin and I reiterated very forcefully our concern regarding their ability to meet the schedule and expressed our insistence that they take whatever steps are necessary to develop the modules and to keep the project on schedule and within the approved budget. They all agreed that this was paramount. They understood the seriousness of not meeting the schedule better and that they would take whatever steps were necessary to get back on schedule. They believe that they are taking such actions. They also understand that we will be watching carefully and that if necessary we will take whatever measures available to us to protect our organizations and our stakeholders. The parties agreed that we would meet more frequently, either in person or by phone and that such

James E. Brogdon
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meetings would be taking place monthly. Danny Roderick took the assignment to set up the next meeting, which the parties agreed would be sometime between October 25th and the end of October. This timing was picked because all of the submodules necessary for CA20 were committed by this time.

As I indicated to the attendees, I remain skeptical as to whether the information provided by the Consortium can be relied upon. We made clear, Kevin and I, that we would monitor their progress weekly and would take whatever actions were necessary to protect our organizations and our customers.

As the meeting was wrapping up, Phil Asherman handed out the attached presentation titled "SCANA Executive Briefing Lake Charles Modules 18 September 2013". There was no discussion of this material.

If you have any questions or need clarification on any of the points above, please let me know.

LNC:alh

Attachment

cc: Richard Lorenzo

Santee Cooper
2013 Corporate Goals

1. Successful transition of key officer retirements and organizational changes that prepare for future succession.
2. Complete and execute revised Coordination Agreement with Central Coop and support Central obtaining approval from Member Coops.
3. Issue new debt to meet construction cash flow needs at favorable interest rates and restructure debt if an agreement with Central and its members is reached. Aggressively work to maintain credit ratings.
4. Continue to pursue efficiency improvements and initiatives to lower fuel and other costs, including an evaluation of purchasing natural gas "in the ground".
5. Develop a path that is viable to keep the Alcoa Mt. Holly plant in operation through 2020 and negotiate an extension of the agreement with Alcoa.
6. Aggressively pursue new wholesale power sales and economic development with new and existing industries. Reach long term agreements with the cities of Georgetown and Camden. Add industrial load through direct served customers and work with Central, PEDC, the Cooperatives and PMPA cities to expand and locate new industrial load.
7. Develop and implement a revised retail line extension policy.
8. Execute an agreement with a buyer to sell the Pee Dee Generating equipment.
9. Develop closure plans for Jefferies and Grainger, vet them with stakeholders and begin the process of obtaining regulatory approval.
10. Maintain compliances with NERC Standards and develop and implement an improved compliance strategy for physical and cyber security.
11. Obtain a new Class III Landfill Permit for Cross Generating Station.
12. Begin to rebuild Jefferies Hydro Units 2 and 4.
13. Sell an ownership interest or power output from Summer Units 2 and 3.
14. Work with SCANA to keep the Summer Units 2 and 3 within budget and on schedule. Successfully address the current rebar and module issues.
15. Satisfactorily resolve the Grainger Ash Pond legal action by Southern Environmental Law Center. Also obtain reimbursement from the Corps of Engineers for Santee River flooding case costs.



For Immediate Release

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SCE&G Completes Nuclear Island Basemat Placement for V.C. Summer Unit 3

CAYCE, S.C., Nov. 4, 2013—South Carolina Electric & Gas Company (SCE&G), principal subsidiary of SCANA Corporation (NYSE:SCG), completed on Nov. 4, 2013 placement of the nuclear island basemat for V.C. Summer Unit 3 in Fairfield County, S.C. This major milestone comes just seven months after SCE&G poured the first new construction nuclear concrete in the U.S. in three decades for its Unit 2 nuclear island.

"We are again proud to have accomplished such a significant milestone as our new nuclear construction project progresses," said Kevin Marsh, chairman and CEO of SCANA. "This is another example of our outstanding collaboration with Santee Cooper, CB&I, Westinghouse Electric Company and the many other stakeholders who play a role in providing South Carolina with the best solution for meeting the long-term need for clean, safe, and reliable power."

"This successful basemat placement is a testament to the hard work by all involved," said Lonnie Carter, president and CEO of Santee Cooper. "We have come a long way since getting our combined construction and operating licenses in March 2012, and this milestone gets us one step closer to the finish line and the many benefits these units will provide for our state."

The basemat provides a foundation for the containment and auxiliary buildings that are within the nuclear island. Measuring 6 feet in thickness, the basemat required approximately 7,000 cubic yards of concrete to cover an area about 250 feet long and 160 feet at its widest section. This approximately 43-hour continuous pour of concrete covered a surface totaling 32,000 square feet.

About 2,000 workers are currently involved in constructing two new reactors at V.C. Summer, where Unit 1 has operated safely and reliably for 30 years. The new nuclear project will peak at about 3,000 workers over the course of three to four years. The two 1,117-megawatt units will add 600 to 800 permanent jobs. Once the two units are complete—Unit 2 currently scheduled to be in late 2017 or early 2018, followed by Unit 3—SCE&G anticipates its generation mix will be about 30 percent nuclear, 30 percent natural gas, and 30 percent scrubbed coal, with the balance in hydro, solar and biomass.

SCANA and SCE&G post information from time to time regarding developments relating to SCE&G's new nuclear project on SCANA's website at www.scana.com. On SCANA's homepage, there is a yellow box containing a link to the New Nuclear Development section of the website. That section in turn contains a yellow box with a link to project news and updates. Some of the information that is posted from time to time may be deemed to be material information that has not otherwise become public, and investors, media and others interested in SCE&G's new nuclear project are encouraged to review this information.

PROFILE

South Carolina Electric & Gas Company is a regulated public utility engaged in the generation, transmission, distribution and sale of electricity to approximately 675,000 customers in 24 counties in the central, southern

and southwestern portions of South Carolina. The company also provides natural gas service to approximately 325,000 customers in 38 counties in the state. More information about SCE&G is available at www.sceg.com.

SCANA Corporation, headquartered in Cayce, SC, is an energy-based holding company principally engaged, through subsidiaries, in electric and natural gas utility operations and other energy-related businesses. Information about SCANA is available on the Company's website at www.scana.com.

SCG_022014

SCANA 4th Quarter and Full Year 2013 Earnings Conference Call/Webcast

Officers

Byron Hinson; SCANA Corporation; Director, Financial Planning and Investor Relations
Jimmy Addison; SCANA Corporation; CFO
Steve Byrne; SCE&G; COO

Analysts

Travis Miller; Morningstar
Jim Von Riesenmann; CRT Capital Group
Andy Levi; Avon Capital
Julien Dumoulin-Smith; UBS
Michael Lapedes; Goldman Sachs
Andrew Weisel; Macquarie Capital

Presentation

Operator: Good afternoon, ladies and gentlemen. Thank you for standing by. I will be your conference facilitator today.

At this time, I would like to welcome everyone to the SCANA Corporation conference call. (Operator Instructions)

As a reminder, this conference call is being recorded on Thursday, February 20th, 2014. Anyone who does not consent to the taping may drop off the line.

At this time, I would like to turn the call over to Byron Hinson, Director of Financial Planning and Investor Relations.

Byron Hinson: Thank you, and welcome to our earnings conference call, including those who are joining us on the webcast.

As you know, earlier today we announced financial results for the fourth quarter and full year of 2013.

Joining us on the call today are Jimmy Addison, SCANA's Chief Financial Officer, and Steve Byrne, Chief Operating Officer of SCE&G.

During the call, Jimmy will provide an overview of our financial results, economic development in our service territory, and regulatory activity. Additionally, Steve will provide an update on our new nuclear project. After our comments, we'll respond to your questions.

The slides and the earnings release referred to in this call are available at scana.com.

I would also like to mention again that we now post new nuclear project-related information directly to our website at scana.com.

On SCANA's homepage, there is a yellow box containing a link to the new nuclear section of the website that contains a link to project news and updates. It is possible that some of the information that we will be posting from time to time may be deemed material information that has not otherwise become public.

In connection with this process, we have discontinued our prior practice of furnishing on Form 8-K the quarterly reports that SCE&G submits to the Public Service Commission of South Carolina and the South Carolina Office of Regulatory Staff for SCE&G's new nuclear project. Instead, the Company now posts copies of these reports in the new nuclear section on the SCANA website.

Finally, before I turn the call over to Jimmy, I would like to remind you that certain statements that may be made today on the call are considered forward-looking statements and are subject to a number of risk and uncertainties, as shown on slide 2. The Company does not recognize an obligation to update any forward-looking statements.

Additionally, we may disclose certain non-GAAP measures during this presentation, and the required Reg G information can be found on the Company's Investor Relations section of our website.

I'll now turn the call over to Jimmy.

Jimmy Addison: Thanks, Byron, and thank you all for joining us today.

I'll begin our earnings discussion on slide 3. Basic earnings in the fourth quarter of 2013 were \$0.73 per share compared to \$0.79 per share in the same quarter of 2012. Higher margins from base rate increases and customer growth were more than offset by expected increases in operation and maintenance expenses and CAPEX related items, including depreciation, property taxes, and share dilution.

You will also note in the footnote at the bottom of the slide that Other Income in Q4 of 2012 included the impact of some tower sales at our telecom subsidiary as we do in the normal course of business from time to time. There were no such sales in 2013.

Please turn to slide 4. Basic earnings per share for the full year of 2013 were \$3.40 versus \$3.20 in 2012. Increases in electric margin due primarily to base rate increases and customer growth, as well as higher gas margins, were partially offset by increases in O&M and higher expenses and dilution related to our capital program. Results in the upper half of our guidance are consistent with our message on the third quarter call in October.

For the year, our O&M increased approximately 2.5% over 2012, principally due to specific rate case-related expenses and the amortization of previously deferred items.

The additional O&M increases that we had projected at the beginning of the year were largely mitigated by cost-control efforts, such as lower labor cost due to attrition. These cost-control efforts, along with other items, such as lower incentive comp accruals, resulted in relatively flat O&M growth year over year except for the regulatory amortizations.

Now on slide 5, I'd like to briefly review results for our principal lines of business. South Carolina Electric & Gas Company's full-year 2013 earnings were up \$0.13 compared to 2012, driven largely by higher margins from an electric base rate increase, as well as increases under the Base Load Review Act and the Gas Rate Stabilization Act, along with customer growth. These increases were partially offset by increases in operation and maintenance expenses, property taxes, interest, and depreciation expenses, and share dilution. For the fourth quarter, SCE&G's earnings were \$0.03 lower than the same period last year, due mainly to dilution.

PSNC Energy's earnings for 2013 were \$0.37 per share compared to \$0.38 per share in 2012. Increased margins from customer growth were offset by higher operations and maintenance expenses, depreciation, and dilution. Similar to the full year, the fourth quarter was down \$0.01.

The earnings for SCANA Energy, our retail natural gas marketing business in Georgia, in green, showed an increase of \$0.09 over last year, primarily due to a return to normal weather during the first quarter of 2013. For the quarter, SCANA Energy's earnings were \$0.06, equal to the same period of last year.

SCANA's Corporate and Other Businesses reported flat earnings in the fourth quarter compared to a gain of \$0.02 in 2012 related to the 2012 tower sales noted earlier. For the full year, these businesses reported basic earnings per share of \$0.04 in 2013 compared to \$0.05 in 2012.

I would like to touch on economic trends in our service territory on slide 6. We continue to see new business growth and expansion of existing businesses. During 2013, companies announced plans to invest approximately \$2.5 billion with expectations of creating approximately 10,000 jobs in our Carolinas' territories. We're excited about the continued economic development in our region.

At the bottom of the slide, you can see that -- the national unemployment rate, along with the three states where SCANA has a presence and the SCE&G electric territory. While all these states continue to show marked improvement, the Carolinas are benefiting greatly from the industrial expansion. Specifically, South Carolina's jobless rate dropped below the national average for the first time since 2001. South Carolina's unemployment rate is now 6.6%, and the rate in SCE&G's electric territory is estimated at 5.4%.

Another positive data point on the economy is the recent United Van Lines' Annual Migration Study. South Carolina and North Carolina ranked second and third, respectively, in terms of domestic migration destinations, corroborating our realized

customer growth. These are all very positive signs for our territories.

Slide 7 presents customer growth in electric sales. On the top of the slide are the customer growth rates for each of our regulated businesses. We continue to see strong customer growth in our businesses and in the region.

SCE&G's electric and gas growth rates for the year are 1.2% and 2.1%, respectively. Our regulated gas businesses in North Carolina added customers at a 2.3% rate.

The bottom table outlines our weather-normalized kilowatt hour sales for the quarter and the full year. Overall, weather-normalized total retail sales were up 1.9% for the fourth quarter and down 0.5% on a 12-month-ended basis.

We are particularly encouraged by the industrial expansion, which has been mitigated by the efficiency and conservation into residential and commercial markets.

Please turn to slide 8, which recaps our regulatory rate base and returns. The pie chart on the left presents the components of our regulated rate base of approximately \$8.2 billion. As denoted in the two shades of blue, approximately 85% of this rate base is related to the electric business.

In the block on the top right, you will see SCE&G's base electric business, in which we are allowed a 10.25% return on equity. The 2013 earned return in the electric business is approximately 9.5%, well within our stated goal of earning a return of 9% or higher to prevent the need for non-BLRA-related base rate increases during the peak nuclear construction years.

Control of O&M and non-new nuclear CAPEX, while monitoring and responding to margin fluctuations, is essential to achieving this goal. We're very pleased with the execution of our strategy.

Continuing down the page, on our new nuclear business, we are allowed an 11% return on equity. The South Carolina PSC approved our Request for Revised Rates under the BLRA, which added incremental CWIP of approximately \$570 million to our rate base and increased rates just under 2.9% in November.

Our regulated gas businesses in the Carolinas continued to perform well. We're allowed a return on equity of 10.6% and 10.25% in North and South Carolina, respectively, and we continue to operate these businesses close to those returns.

Along the bottom of the page is our regulatory schedule exclusive of BLRA filings. These items are fairly routine annual filings.

Slide 9 presents our updated CAPEX forecast. The CAPEX at new nuclear reflects Westinghouse and CBNI's projected cash flow estimates supporting the current in-service ranges for Units 2 and 3. The projected cash flow reflects changes made by the

consortium and the timing of certain payments. These projected cash flow estimates do not include the estimated \$200 million in service delay cost. The previous cash flow estimates were SCANA's internal estimates, with input from Westinghouse and CBNI.

Forecasted CAPEX in SCE&G outside of the new nuclear deployment increased slightly due to increased projected capital expenditures in our Generation, Transmission, and Distribution categories. Capital expenditures at the remaining subsidiaries remained largely consistent.

Along the bottom of the slide, you can see our anticipated incremental CWIP from July 1 through June 30 for each period on which the BLRA increase is calculated.

Now, please turn to slide 10 to review our estimated financing plan through 2018. This slide is consistent with the forecast from our last call other than the addition of 2018. To summarize our financing for 2013, we successfully settled our equity forward, resulting in the issuance of 6.6 million shares in early March and executed on planned equity financing through our 401K and reinvestment plans. SCE&G also issued \$400 million in first mortgage bonds in June.

The financing plan, CAPEX plan, and in-service dates for Unit 2 and 3 reflect the current assessment of our new nuclear construction project, as well as other projects. Of course, the amounts and timing could change due to inflation, the construction schedule, or other factors.

I would now like to discuss our 2014 weather-normalized earnings guidance and related assumptions, as shown on slide 11. Our 2014 guidance is \$3.45 to \$3.65 per share, and our internal target is \$3.55 per share. Due to the cyclical nature of our business, we expect to earn approximately 30% of this amount in each of the first and third quarters, approximately 25% in the fourth quarter, and the remainder in the second quarter.

Additionally, we are resetting our base year to 2013 based on 2013 GAAP basic EPS of \$3.40 per share.

In computing this guidance range, we have included the impact of base rate increases from our new nuclear filings under the BLRA. This guidance also incorporates the CAPEX and financing plans we presented earlier.

Additionally, while we anticipate the number of customers will continue to increase, our assumption of customer average use of electricity is slightly lower next year to reflect current energy efficiency trends.

We anticipate overall retail sales growth for 2014 to decline by approximately 0.2%.

We forecast customer growth to be similar to 2013.

We expect operating and maintenance expenses to be approximately 3% higher in 2014

compared to 2013 actuals.

We also expect continued growth in the CAPEX-related cost of property taxes, depreciation, and interest.

Our effective tax rate for 2013 was approximately 32%, and we estimate the rate for 2014 will be similar.

Keeping in mind our internal target of \$3.55, let's discuss potential up-side and down-side variables to our 2014 earnings range. There are several factors that could cause us to trend towards the lower end of our guidance. We continue to see fluctuations in average use. There continues to be industry uncertainty around electricity consumption, and as a result, we have forecasted average use to be slightly lower. Average use could come in lower than forecast due to higher efficiency adoption rates or simply conservation.

Customer growth continues to be a bright spot in our service territory. We are currently forecasting an increase for 2014. However, if customer growth comes in lower than expected, this could negatively impact earnings.

Additionally, if nuclear spending were to shift to later years, it would impact our earnings.

In contrast, there are several factors that could push us towards the upper end of our guidance. If average use were to increase or come in better than 2013, or if customer growth accelerates beyond 2013 levels, we could have potential up-side.

Finally, as we reported last year, the pilot Weather Normalization Program in the electric sector ended as of December 2013, and we will see the impact of weather in our financials prospectively.

Hopefully, this should provide you with a line of sight into our view of 2014 as you update your models.

I also wanted to mention that earlier today we announced an increase to our annual dividend rate for 2014 to \$2.10 per share, a 3.5% increase. The results of 2013 and confidence in the long-term strategy were key considerations. We are now back within our stated payout policy of 55% to 60% and expect to grow dividends fairly consistent with earnings prospectively.

Please turn to slide 12. On January 27th, we announced plans to increase our ownership in the VC Summer new nuclear units by 5% in the future. I will comment on a few financial matters related to this transaction, and Steve will comment later on the incremental capacity.

As noted on the table, each increment and ownership interest will be funded with internal cash flow, driven largely by depreciation associated with the two new units. As a result, we do not expect to access the capital markets to fund this increase. This transaction will

not occur until Unit 2 is complete, and therefore, no change in the base load review formulaic increases will occur.

Additionally, the estimated \$500 million purchase will add to SCE&G's rate base incrementally with each annual purchase, and we will work to develop a plan to mitigate and possibly eliminate any upward pressure on customers' rates due to this purchase in the future.

In summary, we're very pleased with this transaction as it will add to base load generation for the long-term benefit of South Carolinians. We plan to file a petition with the Public Service Commission of South Carolina for approval of the transaction later this year.

I'll now turn the call over to Steve to further describe the impact of the transaction on our reserve margin and operations, as well as an update on our nuclear project.

Steve Byrne: Thanks, Jimmy.

I'd like to continue the discussion on the agreement with Santee Cooper. In looking at our future generation needs in the Integrated Resource Plan, the Company decided that purchasing additional nuclear power was a great fit to help us replace a portion of the older coal-fired plants we expect to retire over the next few years and delay our need to build new gas-fired capacity after the year 2020. The structure of the 5% acquisition will happen in three stages.

The first stage is triggered by the commercial operation date of the first new nuclear unit, which is currently anticipated to be late 2017 or the first quarter of 2018.

At the time of commercial operation of the first new nuclear unit, we will acquire 1%, or approximately 22 megawatts, with an additional 2%, or 44 megawatts, to be acquired no later than the first anniversary of the commercial operation date, and the final 2%, or 44 megawatts, being acquired no later than the second anniversary of the commercial operation date. This approach keeps our reserve margins within our committed targets of 14% to 20%.

Now, I'd like to outline the impact of the additional 110 megawatts on our generation mix as we dispatch our plants. On slide 13, you can see our generation mix by dispatch and capacity. This has been updated to reflect the effects of the additional 5% share of the new nuclear generation through 2020. This additional phased increment still maintains our balanced approach to capacity, keeping nuclear, coal, and gas at roughly a third each, with the remainder of our generation in hydro, biomass, and solar.

From an operational perspective, this non-emitting base load generation will fit nicely into our system and allow us to forestall the addition of peaking generators while satisfying Santee Cooper's needs to divest of some of their share.

I'll now provide an update on our new nuclear construction project. Please turn to slide

14. The Company is reaffirming that we expect Unit 2's in-service date to be between the fourth quarter of 2017 and the first quarter of 2018. This date is still within the Public Service Commission's 18-month scheduled contingency window for the currently approved in-service date, which is March of 2017.

The in-service date for Unit 3 will be similarly delayed for roughly 12 months after Unit 2.

The Company is also reaffirming the previously reported estimate of approximately \$200 million of additional costs associated with this schedule change.

While we continue our discussions with the consortium, we believe SCE&G's responsibility for any portion of the \$200 million estimate should ultimately be limited to substantially less once all of the relevant factors are considered.

I'll now provide a brief update to the on hook dates for some of our structural modules. As I previously mentioned, the on hook date is when fabrication of an assembled module at our VC Summer site will allow it to be placed on the hook of the heavy-lift derrick.

Module CA-20, seen on slide 15, is an auxiliary building module that would be located outside and adjacent to the containment vessel. All CA-20 structural sub-modules have been received on site, and two of the four major sub-assemblies up-righted and set into place on the assembly platen in the module assembly building, as well as parts of the third and the fourth sub-assembly. The remaining few components of the sub-assemblies are being inspected, repaired on site, and are being prepared for installation on the platen. This module is schedule for an on hook date of the first quarter of 2014.

Module CA-01, on slide 16, is the steam generator and refueling canal module that will be located inside the containment vessel. Here, you can see a photo provided by Westinghouse of CA-01 at one of the China sites. On-site fabrication of this module should begin soon. This module has an on hook date of the third quarter of 2014.

Module CA-03, on slide 17, it's the southwest wall of the in-reactor water storage tank located inside the containment vessel. Fabrication of module CA-03 is progressing at Pegasus Steel's fab facilities in North Charleston, South Carolina. Here, you can see a photo provided by Westinghouse of a portion of this module at a similar AP1000 plant being lifted for placement. This module has an on hook date of the fourth quarter of 2014.

The Unit 2 Contained Vessel Ring 2, shown on slide 18, is the second ring of the containment vessel. This structure has an on hook date of the fourth quarter of 2014. The first ring of the Unit 2 containment vessel, which I'll show you in a picture shortly, is scheduled to be placed during the second quarter of 2014.

On slide 19, you can see a summary that outlines the on hook dates for these four module structures.

I would now like to discuss some recent activities at the site. Slide 20 presents an aerial view of the new nuclear site. In the center of the picture is the MAB, or module assembly building. To the right of the MAB, you can see Unit 2, and to the left is Unit 3. We are also making progress on the low-profile cooling towers, along the bottom of the picture. I'll discuss this slide in more detail shortly, but here you can get a feel for the layout of the site, and you can see that things are really starting to take form.

On slide 21, you can see the picture of Unit 2 Nuclear Island. As previously mentioned, during 2013, we completed the over-50-hour continuous pour of the nuclear island base mat, also referred to as "First Nuclear Concrete." Then, using the heavy-lift derrick, we set the 500-ton CR-10 module on the base mat, as well as the containment vessel bottom head on the CR-10 module. The containment vessel will house numerous reactive system components, such as reactor vessel piping, steam generators, and the pressurizer. As you can see on the bottom right of the slide, work continues to form the concrete walls and other structures that comprise the Unit 2 Nuclear Island.

On Slide 22 you can see a picture across the top of the slide showing the successful pouring of the Nuclear Island basemat for Unit 3, which took place in November. Again, this basemat provides a foundation for the containment vessel, [shield] building, and auxiliary building that make up our Nuclear Island for Unit 3.

On the bottom left side of the slide, you can see the finished product of that pour. Currently, construction of the CR-10 module is taking place on the Unit 3 Nuclear Island basemat, as you can see on the bottom right of the slide.

On the top left of Slide 23, you can see a picture of the Unit 3 Containment Vessel Bottom Head. Similar to Unit 2, this Bottom Head will be placed on the Nuclear Island on top of the CR-10 module for Unit 3.

On the top right of the same slide, you'll see the first Containment Vessel Ring for Unit 2. As I mentioned earlier, this ring should be placed on top of the Unit 2 Containment Vessel Bottom Head during the second quarter of this year.

The two pictures along the bottom of the slide show Cooling Towers 2 Alpha and 3 Alpha. Both of these cooling towers are now structurally complete. All four of the low profile, forced draft cooling towers continue to progress as anticipated.

On Slide 24 you can see a schematic of the Turbine Building that illustrates how the various Turbine Building modules will look when complete. The modules that are highlighted in green have been placed in their final locations, with work continuing to progress for Modules CH-81Charlie and CH-82.

On Slide 25 you can see a picture of the Unit 2 Turbine Building. Comparing the schematics from the previous slide, you can see all of the previously mentioned modules in place on the Turbine Building basemat.

On Slide 26 you will see a few of the components that have arrived on site. On the top left you'll see a picture of the Unit 2 Reactor Vessel. This vessel is thick metal clad with stainless steel and houses fuel assemblies. On the top right you'll see Units 2 and 3 Accumulator Tanks on site. These Accumulator Tanks are safety-rated tanks that hold water and would be used to inject that water into the Reactor Vessel if there happened to be a loss-of-pressure event.

On the bottom left, you're seeing one of two Moisture Separator Reheaters being lifted with the heavy-lift derrick. The Moisture Separator Reheaters take steam coming out of the high-pressure turbine and super-heat that steam before it enters the low-pressure turbines, to ensure that it's all steam and no water.

And at the bottom right, you'll see the Unit 2 and Unit 3 Core Makeup Tanks. Core Makeup Tanks contain (inaudible) water and are a component of the passive core cooling system that assists in safely shutting down the plant.

On Slide 27 you will see the New Nuclear CAPEX over the life of the construction. This chart shows the CWIP during the years 2008 to 2018 and has been updated using the fourth-quarter 2013 BLRA quarterly report, which we filed on February 11th of this month.

As you can see, the next several years are considered the peak nuclear construction period. The green line represents the related projected customer rate increases under the Base Load Review Act. As Jimmy stated earlier, the 5% future acquisition will not affect these projected BLRA increases.

Please now turn to Slide 28. As we mentioned on our third-quarter call in September, the Public Service Commission of South Carolina approved an increase of \$67.2 million. The new rates were effective for bills rendered on and after October 30th.

Our BLRA filings for 2014 are shown at the bottom of the slide.

On Slide 29 you'll see a breakout of total New Nuclear project costs. On the far right you can see our current projected costs as filed in the fourth quarter 2013 BLRA quarterly report. Project costs are down approximately \$633 million from the original approval received from the Public Service Commission of South Carolina. As you can see, this change is largely attributable to lower escalation.

That concludes our prepared remarks. We'll now be glad to respond to any questions you might have.

Questions and Answers

Operator: Ladies and gentlemen, we will now begin the question-and-answer session.
(Operator Instructions) Travis Miller; Morningstar.

Travis Miller: Wondering at SCE&G -- let's talk about the non-nuclear. What's the primary thing that's holding back that earned return from the allowed return, that 100 basis points or so?

Jimmy Addison: Well, Travis, it is the kind of headwind of just general consumption, non-weather-related consumption of, really, what's going on across the industry, accordingly with us too, with more efficient light bulbs, more efficient HVAC, et cetera. So that's kind of the large headwind that we're working against and offsetting it with cost control.

Travis Miller: Okay. Is there any point -- you've talked about customer growth, obviously the demand growth slowing. Is there a point at which you see that demand growth stop slowing and perhaps start picking up again? Is there a trough point that you see that reaching?

Jimmy Addison: Well, it certainly does in the midterm. I don't have a calendar point to put on that now. But to draw you two points in time, in the short term here we're expecting it about flat, slightly less in 2014, 0.2% down, whereas in our longer-term IRP that's out there now, we're expecting something over a 1% growth over a 15-year period. So I can't tell you exactly at what point that turns and in what year, but we do see it turning in the long run.

Travis Miller: Okay, great. Thanks a lot.

Operator: Jim Von Rieseemann; CRT Capital.

Jim Von Rieseemann: Before we get run over on all the nuclear questions, couple questions on my end. Jimmy, would you mind explaining this interest rate derivative, the uncollected fuel issue, in a little bit more detail and kind of walk us through the geography on the income statement in the fourth quarter of 2013 so we could think about our models in the future a little bit more clearly?

Jimmy Addison: Yes, be glad to. So what happens there, if you want to kind of gross the income statement back up absent this accounting, you basically need to add \$50 million back to margins and remove \$50 million from other income. So we took these interest rate hedges that were substantially in the money and went to the regulator and said -- core to our strategy over these next three nuclear peak construction years is not having any other increases to bear on customers' rates, like fuel.

And we were substantially in the money on these hedges because interest rates have risen and, instead of the customer getting the benefit over the next 30 years and lower interest rates related to the bonds when we had amortized the hedges, we'll cash them in and take all of the benefit back to the customer now, by offsetting under-collected fuel costs, avoiding a potential fuel increase.

So the regulator agreed to that and there's a net \$50 million of that that netted down margins and increased other income.

Jim Von Riesemann: Okay. Super. On the Georgia retail, I know you guys have had some significant cold weather down there. Can you talk about what you've been experiencing in the first quarter thus far, and how your contracts work down there? Are you guys variable or fixed?

Jimmy Addison: So our customers' contracts with us are both. And I would say a slight majority of them now are in the fixed area compared to variable, which is consistent with the entire market, based upon our understanding of it. So more customers are in fixed contracts with marketers than are in variable contracts.

And if they're in a fixed contract we have a financial hedge in place based on any contracts entered into in any one month that aggregates all those contracts and plans for normal weather. So when there's abnormal weather, abnormally cold, of course we've got some financial risk associated with that. But we're very comfortable -- I'm not going to get into forecasting January's earnings, but we're very comfortable that January will be a good financial month for the Georgia business.

Jim Von Riesemann: Okay. And then, let me kick off the nuclear stuff. Your friends a few miles to the south of you are thinking about doing a nuclear loan, or get loan guaranty, or at least that's what every press report is telling us. How are you guys thinking about nuclear loan guarantees from the government?

Jimmy Addison: Yes, nothing's changed on our side. We continue to provide our information to the DOE on a periodic basis, to keep them updated on our information since we initiated the application several years ago. And if ultimately we believe there's some benefit for the customer in that arrangement, we would examine possibly doing it. But at this point we've not seen the benefit.

Jim Von Riesemann: Okay. Thanks.

Operator: Andy Levi; Avon Capital.

Andy Levi: Your guidance for this year, the \$3.45 to \$3.65, that's, I guess, based on kind of year end. Does it incorporate any weather in that, pro or con?

Jimmy Addison: That's correct.

Andy Levi: Right, whether it's upside or storms or anything like that.

Jimmy Addison: Right. The only thing I would say is that in our operating forecast on the electric business we do have in our operating costs \$2.5 million of potential cost that is basically a deductible, if you will, before we can use our storm damage reserve. And based upon our experience to date, I can assure you we've exceeded that amount. So I'm

glad we had that in our forecast.

Andy Levi: Okay. So just explain that, I guess, real quick. So you have this \$2.5 million deductible, which is in your forecast. But any incremental storm costs in South Carolina is covered through a clause or through insurance? What --

Jimmy Addison: Yes. So we have a storm damage reserve that we ceased adding to effective with the new base rates in the beginning of 2013. But it has about \$25 million in it at this point. So anything related to storms above the \$2.5 million annually would go against that reserve. If we were to exceed the amount in the fund at this point then we would simply defer that and go back to the regulator. Our agreement is through the last settlement we would go back for some type of mechanism to get that recovered.

Andy Levi: Okay. And then clearly there's upside from the weather as far as temperatures and things like that, but then also I guess you had some outages as well. But net/net would you think you're on the plus side there weather-wise?

Jimmy Addison: Yes. We did have outages. We had at the peak probably 140,000 customers out. That did not last very long, probably less than one day. We had them all back on within about five days or so. But we made a rough estimate of the actual revenue loss and that's less than \$1 million.

Andy Levi: Okay. So, net/net weather should be a positive and that's not incorporated in your guidance for 2014.

Jimmy Addison: Financially it's a positive. It's a heck of a way to get there, with all that the State's been through in the last week, though.

Andy Levi: Oh, no, no. I get that. It's not good for the customers at all. And then, just on the Georgia side, how should we kind of think about that just at a very high level? I just remember when we had the warm winter there was a financial hit. Now we've had a really cold winter. So how should we kind of think about that business relative to what's the norm? Because your earnings are fairly consistent there.

Jimmy Addison: Well, what I would say is January's one of about five important months for the Georgia business. We're in the middle of February now. It's 82 degrees today. So we're not selling a lot of gas in Atlanta and the surrounding area. So I think we'll have a very good month in January. My gut feel, February, with part of it cold in the early part of the month and now it's in the 80s, we'll have to wait and see what the rest of the month brings. But there are really five -- January, February, March, November and December all are key to that business. So we're only 20% of the way through the real earnings season for 2014 for Georgia.

Andy Levi: Okay. And I wish it was 80 degrees here. But we're getting there. I guess it's coming our way, so.

Jimmy Addison: Well, I see 50s again in the forecast a week out, so that's back to more normal.

Andy Levi: Yes, well, I've got about two and a half feet of snow that needs to melt on my property, so.

Jimmy Addison: I get it.

Andy Levi: I think we'll take a couple weeks for that, but nothing you can do. Okay. Thank you very much.

Operator: Mike Weinstein; UBS.

Julien Dumoulin-Smith: Hey, it's Julien here, actually. Could you elaborate a little bit on the service delay costs, what the latest is there? And perhaps to the extent to which timing -- do you have any sense as to when this all might come to a head, if you will?

Jimmy Addison: You're talking about New Nuclear?

Julien Dumoulin-Smith: Yes, on the New Nuclear, the \$200 million.

Steve Byrne: Oh, the \$200 million? I think what you heard us say today was that we're reaffirming that we still think that value is good and that that's still our number, not a consortium number. But we are anticipating that the consortium is going to go through another estimate at completion through this spring and summer. And sometime perhaps third quarter, fourth quarter-ish of this year I would anticipate that they will give us an estimate that will include anything that they see from that delay from receiving the modules. And that will start our negotiations at that point.

Julien Dumoulin-Smith: Great. And how long would that take, just if you could kind of continue running out the --

Steve Byrne: Yes, I'm loathe to give you a time estimate. Our experience with negotiating with the consortium is that things take a long time, but it's worthwhile in the end. And then we've got an almost completely new management team at CB&I and a lot of new folks at Westinghouse since the last time we went through one of these kind of negotiations, which would have been the predecessor, Shaw. So it'll take a while. Now, whether that's a quarter, two quarters, three quarters, I don't know that I could tell you that.

Julien Dumoulin-Smith: Got you. And could you just elaborate a little bit more on the shift? It looked like some of the CAPEX that you were intending to spend in 2013 moved out 2014 and 2015. Could you just talk a little bit more about that?

Steve Byrne: Yes. I think what we're looking at now is that at our last quarterly call we were estimating spending about \$897 million in 2014. We're now looking at some of the

money from 2013 moving into 2014, so that's now increased by about \$53 million in 2014. Now, that's largely a compression of the schedule. So when the end date stays the same and they don't spend as much in 2013, it's going to push into 2014 and 2015. So the 2014 number looks like about an additional \$53 million.

So when the consortium doesn't hit milestones, and they get paid based on milestones, we withhold payment.

Julien Dumoulin-Smith: Got you. Excellent. And then lastly, could you just comment quickly -- you commented briefly in your remarks about the additional 100-some megawatts. Is that is for the time being in terms of ultimate ownership? If you could talk maybe about long term? Is there a desire for more, or how this negotiation ultimately happened in your mind in terms of the desire to take down more of the plant?

Steve Byrne: Our desire, really, was based on the desire of our partner, Santee Cooper, to divest of some of their ownership percentage. I think their appetite to sell off some of their piece has diminished over the last couple of years. At one point in time I think they were talking about a much higher percentage. And it looks like the 5% that we're going to take is satisfying their desire to divest of some of their ownership percentage.

So I don't foresee that changing. I think that the 5% that we've agreed to purchase pending the regulatory approvals, at least at this point in time, is it.

Julien Dumoulin-Smith: Great. And then, from a procedural perspective, the approvals, how long is that going to take here? I mean, how does that mesh into everything, if you will? Is there any kind of key date we should be bearing in mind there?

Jimmy Addison: No, nothing key. Really, the ball is in the court of us to pull that together and go to the ORS and ultimately to the Commission. And we would expect to do that sometime later this year. But there's no key requirement or timeframe around it.

Julien Dumoulin-Smith: Great. Thank you very much.

Operator: Michael Lapidès; Goldman Sachs.

Michael Lapidès: A couple of just nuts and bolts items and then one for Steve on the nuclear project. Jimmy, just real quick, on the gas RSA, what are you kind of expecting for that in terms of potential rate revenue changes at the back end of the year?

Jimmy Addison: Well, as we had on one of our slides there, the business has earned -- at this point we're earning up into 10.6%, 10.7% range, something like that. So that's in the upper end of the 50 basis point band. And the real contributor to that is the cost control efforts we've had across the enterprise, as well as really good growth on the gas system. So those new customers using more gas with the growth has really helped to keep that return up.

To me it's really kind of a high-class problem to have. We're likely in a situation where we'll not have an RSA increase this fall. But that's because we're earning the returns and we're controlling cost increases. And therefore we're running the business at the allowed return. So I really don't see a lot changing in that RSA.

Michael Lapidès: And so, you're basically -- you don't assume there's a gas rate increase at SCE&G. And it doesn't strike me there's a general rate case process or much happening on the PSC NC side. Am I thinking about both of the gas businesses kind of correctly there from a revenue requirement change?

Jimmy Addison: Yes, I would certainly say that's the case for the next 12 months.

Michael Lapidès: Okay. And then, O&M, I want to make sure I understood. You made a comment about expect O&M roughly up 3% year over year. Just curious, what's driving that? You all have a pretty good history of, I don't want to say -- giving an initial O&M level and then coming in and beating it. Give credit to you guys for doing that. But just curious what's driving -- given that we're in a low inflationary environment right now, what's driving that change in year-over-year O&M?

Jimmy Addison: I think it's -- if you look at our actual results, they've been basically flat the last couple years. Now, realizing on the face of the financials that 2013's actuals are up about 2.5%, but as I said in the earlier comments, all of that was really driven off rate case amortization. So despite wage increases, increases from contractors, et cetera, we were able to hold our real costs flat, other than those amortizations that flow through.

You can only do that so long. If you look across all of our customer base over the last couple of years we've added about 30,000 customers in all three states combined. And we're serving them with 200 fewer employees today outside of the folks that Steve's hiring in New Nuclear. And we've done a really good job of holding that back for a while. We've got to make sure in the longer run that we balance that against and don't cause damage to customer service, reliability, or safety. And we're just looking at balancing that.

Michael Lapidès: Got it. And now that you don't have weather normalization now at SCE&G on the electric side, do you still have it on the gas side? And is it on the gas side for both businesses or just the SCE&G side?

Jimmy Addison: Yes, it's on both gas LDCs.

Michael Lapidès: Got it. And then, Steve, in the BLRA filing there was a little of discussion about issues or concerns -- really more issues with the reactor coolant pump and piping. Can you just kind of rehash for us what actually is reactor coolant pump and the piping that goes in it and what are some of the issues or concerns that you touched on in the BLRA?

Steve Byrne: Sure. The way the reactor coolant system works is that the fuel rods are

there really to make heat and then the reactor coolant system water will remove that heat and it carries it to a steam generator where we make steam with secondary source of water. So that water never boils. It stays liquid. And we then pump it right back from the steam generator to the reactor vessel. So it just makes a big loop.

And on the bottom of the steam generators, in order to pump it back to the reactor vessel, we have two reactor coolant pumps. And these are new to the commercial nuclear industry type pump. So they've been used for decades in the military applications like the Navy.

So these are big canned rotor pumps, and then when they get the bugs worked out of them I think they're going to be much, much better than the previous version of reactor coolant pumps. But they are working through some of those bugs. So there's a lot of testing that's going on, particularly for the projects in China. And as they're going through those China check-outs and tests, they're finding some issues.

Michael Lapedes: And what kind -- when you say issues, are we talking operational issues or are we talking kind of the stuff of like getting the materials delivered to your site on time and on schedule?

Steve Byrne: No, no. We're talking about operational issues found during the tests. We don't have any issues that we're aware of with supply chain or getting them delivered to the site. But they've had some issues with some bearings that have been overheating that's going to entail bearing redesigns and those kind of things. I'm not overly concerned about those.

They do have one issue with some parts of the [empower,] which is the motor force on this pump that drives the water. Some repairs were made to some of those for the China projects that created loose parts. And we discovered that we did not go through the same process, so we shouldn't expect the same kinds of loose parts.

So there's kind of check-out issues on the reactor coolant pumps. And I believe that the pressure being exerted on the supplier by the Chinese will solve the problems for us.

Michael Lapedes: Got it. Okay. Thank you, Steve. And thank you, Jimmy. Much appreciated, guys.

Operator: (Operator Instructions) Andrew Weisel; Macquarie Capital.

Andrew Weisel: I was hoping you could elaborate a little bit on Julien's question about the timing of the nuclear CAPEX. I understand that some of the dollars that you expected to pay in 2013 spilled into 2014, but if I look at the BLRA from last week it looks like there was also a pretty big pickup in 2015 as well as 2016, and then reductions in the outer years. So am I right in reading that, that the spending almost got compressed even further into the peak years?

Jimmy Addison: Here's the situation. Let's look at it on the midyear basis, since that's the way the BLRA filings happen based on the CWIP that's expended through midyear. So what we forecast is that through midyear 2014 we'll be down \$164 million compared to what we had earlier projected. And we will pick that up in 2015, 2016, and 2017. So it's just kind of a skewing to the right of the same dollars. There's no real change in the dollars overall related to this. But \$164 million lower in 2014; add \$96 million in 2015; \$43 million in 2016; \$45 million in 2017; and about \$18 million less in 2018. So it's just a change of the distribution.

Andrew Weisel: Okay. Great. And then, one other question. This is just sort of -- maybe I'm misreading something in the press releases, but when I -- every quarter you detail how many customers you have for the electric and gas utilities. And the numbers I'm calculating are very different from what you're reporting. So when I compare this press release versus the one a year ago, I'm showing about two-thirds of a percent increase in the customer account versus you're reporting a number significantly higher. You're basically showing almost 2% on an average basis. Is there anything that would cause the year-ago numbers to somehow be restated? Was there any reclassification?

Jimmy Addison: No, there's no reclassification. There's no restatement or anything of that nature. So should be period-end date compared to period-end a year ago. So we've got -- I'm looking at them here now -- 675,000 electric, 325,000 gas in South Carolina and just over 500,000 gas in North Carolina. And that yields 1.2%, 2.1% and 2.3%, respectively.

Andrew Weisel: Okay. Maybe I'll follow up offline, but I just wanted to clarify that when you talk about similar growth in 2014 that you saw in 2013 on the customer counts, you are talking about those numbers that you just described. Right?

Jimmy Addison: Yes.

Andrew Weisel: Like the almost 2% on average?

Jimmy Addison: That's exactly right.

Andrew Weisel: Okay. Okay, great. Thank you very much.

Operator: And, ladies and gentlemen, that will conclude our question-and-answer session. I would like to turn the conference back over to Mr. Addison for his closing remarks.

Jimmy Addison: Well, thank you. And, to summarize, we're pleased with our results for 2013 and are optimistic about 2014.

And, finally, I'd like to mention a couple of opportunities to meet with you in person. Steve and I will be on the road the first week of March in New York and Boston at investor conferences and we hope to see many of you there.

And also, our upcoming Analyst Day event is going to be held in New York on June the 5th. We would encourage you to mark your calendars with a placeholder for that and plan to attend.

We thank you for joining us today and appreciate your interest in SCANA. Have a good day.

Operator: Ladies and gentlemen, the conference has now concluded. We thank you for attending today's presentation. You may now disconnect.